

April, 2012

Consumer Fraud Awareness

Department of Law

1525 Sherman Street

Denver, CO 80203

Phone: 303-866-4500

Consumer Hotline: 800-222-4444

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Brought to you by Colorado Attorney General John Suthers

National Mortgage Settlement

We are pleased to announce Colorado has joined in the \$25 billion multistate foreclosure settlement with the five largest national banks to end problematic business practices and to help distressed homeowners. Bank of America, JPMorgan Chase, Wells Fargo, Citibank and Ally account for 60 percent of the home-loan servicing market.

Highlights

- * National Mortgage Foreclosure Settlement
- * Consumer Protection Week
- * Moving Companies
- * Time Share Resellers

As a result of the settlement, many Colorado homeowners affected by the banks' dual tracking and other improper mortgage and foreclosure related processes will receive some real help. Per the agreement, the banks will end a series of problematic processes that put homeowners at a severe disadvantage during the foreclosure process.

The settlement - the second largest multistate consumer protection action will deliver \$204.6 million worth of relief for Colorado homeowners. Under the terms of the settlement, Colorado, which served on the executive committee that oversaw the settlement negotiations, will receive:

- \$73.3 million will be available to grant principal reductions on loans to make a modification possible. Approximately 40 percent of these funds will also be available to ease the effects of foreclosure, including waiving deficiency balances, enhanced cash-for-keys payments and blight prevention;
- \$51.17 million in cash to the state;
- \$46.3 million worth of refinancing benefits to underwater borrowers; and,
- \$32.49 million in payments to homeowners who lost their homes to foreclosure between January 1, 2008 and December, 31, 2011.

Working extensively with the Governor's Office and the General Assembly, the Attorney General has decided to allocate its \$51.17 million to a series of programs and organizations to provide statewide foreclosure and housing relief over the next three years:

- \$24 million for supplemental loan-modification programs;
- \$18.196 million for affordable housing programs;
- \$5.625 million for housing counseling throughout the state;
- \$1.5 million for Colorado Legal Services;
- \$750,000 for temporary staffing at the Attorney General's Office.

[Click here](#) to learn about specific fund allocations and the benefits to Colorado residents. Consumers interested in learning more about the multistate agreement can visit www.NationalMortgageSettlement.com or www.coloradoattorneygeneral.gov/mortgagesettlement.



"As a native Coloradan and attorney with more than three decades of experience in the public and private sectors, I am dedicated to helping keep Colorado a great place to live."

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A Program with the Colorado Attorney General and the AARP Foundation

For Homeowners of the 5 Settling Banks

Customers of the five settling banks who lost their home between January 1, 2008 and December 31, 2011 will be eligible for restitution under the settlement. The independent, third-party administrator of the settlement will contact affected victims by the end of the summer.

Customers of the five settling banks who are still in their homes, but either behind on their payments or underwater, should contact the banks directly through dedicated toll-free, contact numbers to determine if they are eligible for assistance.

Colorado consumers should read [this FAQ \(linked here\)](#) to determine if they are eligible

for restitution or other assistance *before* contacting their lender.

Lender Contact Information

- **Bank of America**
1-877-488-7814
- **Chase**
1-866-372-6901
- **Citi**
1-866-272-4749
- **GMAC/Ally** -
1-800-766-4622
- **Wells Fargo**
1-800-288-3212

Homeowners facing foreclosure also are advised to contact the Colorado Foreclosure Hotline at 1-877-601-HOPE (4673) or [click here](#) to visit the Colorado

Foreclosure Hotline web site.

The hotline works with homeowners who are in or facing foreclosure. Homeowners who call the free hotline can speak with a housing counselor in their community about their options.

Consumers interested in the specific details of the settlement may consult the information available via [the National Mortgage Settlement web site](#).

To learn more about Colorado's ongoing fight against mortgage and foreclosure fraud, visit the Office of the Attorney General's [Mortgage Fraud Information Center](#).



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Foreclosure Rescue Firms

Consumers facing foreclosure often find themselves approached over the phone or by mail from so-called "foreclosure rescue" companies that make promises, such as: "We can stop your foreclosure now," or "We can guarantee to stop your foreclosure."

These advertisements often are based around a basic scam that allows a swindler to steal hundreds or thousands of dollars from you or, even worse, obtain the title to your home.

Without fail, foreclosure-rescue firms inform homeowners that they can help you deal with your lender and assist you in avoiding foreclosure in exchange for a substantial upfront fee. (Most upfront fees are illegal in Colorado.)

The companies also might advertise a "special" relation-

ship with lenders and a "proven" record of helping homeowners avoid foreclosure. Often these advertisements are deceptive and geared toward getting you to fork over an upfront fee.

Some firms will have you sign over to them the title to your home in exchange for ongoing payments, akin to a rent-to-own arrangement, whereby you will buy back your own home. Ultimately these scams result in homeowners being out thousands of dollars in "rent" and without a home.

The "red flags" consumers should look out for are:

- An upfront fee in exchange for saving your home or helping you avoid foreclosure;
- Any admonishment from a company that you stop

making your mortgage payments or funnel your payments through an outside company;

- Instructions to ignore mail or other communications from your lender;
- Requirements that you pay via cashier's check or wire service;
- Requests to buy your house for a price not keeping with the housing market at the time of sale;
- Offers to fill out paperwork concerning your home or mortgage on your behalf; or,
- Pressure to sign paperwork you have not read or do not understand.

Consumers contemplating bringing in a third party to assist them with their mortgage issues should contact the Colorado Foreclosure Hotline at 1-877-601-HOPE (4673).

Homeowners facing foreclosure are advised to contact the Colorado Foreclosure Hotline at 1-877-601-HOPE (4673) or [click here](#) to visit them on the web.



A Program with the Colorado Attorney General and the AARP Foundation



National Consumer Protection Week

Protecting consumers from fraud is one of the most important jobs of Colorado's attorney general. Thanks to our aggressive outreach, warnings about prevalent scams and informing Coloradans on how to protect themselves, we have made great progress over the past five years. The growing number of complaints Coloradans submit to us highlights the strides we have made to inform consumers about fraud and how to report scams to the appropriate consumer protection agency.

As part of the 2012 National Consumer Protection Week, our office is unveiling statistics on the top consumer complaints for 2011 to mark the beginning of National Consumer Protection Week. During the 2011 calendar year, Colorado consumers filed 7,297 complaints with the Office of the Attorney General - a 12.9 percent increase over 2010's total of 6,462 complaints and a 54.5 percent increase over 2009's total of 4,723 complaints.

"The growing number of complaints Coloradans submit to us highlights the strides we have made to inform consumers about fraud and how to report scams."

2011 Top 10 Complaint Categories

1. Financial Planning and Management Consultants	410
2. Utility Complaints (cable and satellite television)	349
3. Mail Fraud	264
4. Health and Medical Services	262
5. Tanning Salons	159
6. Internet Shopping Services	146
7. Telephone (cell phones and equipment)	141
8. Magazine Subscription Agents	127
9. Rebate Offers	108
10. Roofing and Guttering Contractors	95

Consumers who believe they are victims of fraud or would like to report a scam may file a formal complaint [here](#).

2011 Top 10 Complaints by Business

1. Dalbey Education Institute	407
2. Corporate Controllers Unit	231
3. Heart Check America	189
4. DirecTV	167
5. At the Beach	157
6. DISH Network	107
7. National Energy Rebate Fund	103
8. Real Talk Network	81
9. CenturyLink (Formerly Qwest)	75
10. E-470 Public Highway Authority	65



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Moving Companies- Intrastate Household Movers

If you are one of the many consumers moving throughout the state, how do you avoid being scammed?

First, you should familiarize yourself with Colorado laws and regulations household goods movers operate within to ensure you are working with a reputable company.

The regulating authority over household movers operating in Colorado is the Department of Regulatory Agencies - Public Utilities Commission. The PUC specifically has oversight over The Household Goods Movers Law and the rules adopted by the PUC to establish annual insurance and application requirements, and to establish minimum service standards for contracts between movers and customers.

Below are the major provisions of the law according to the Public Utilities Commission Publication, "Understanding PUC Regulation of Household Movers."

- Prescription medication, medical supplies and children's goods may not be withheld from customers under any circumstances.
- Movers are required to tell customers where their goods are being stored in the event of a fee dispute.
- Movers must carry adequate levels of motor vehicle, cargo and general liability insurance and register annually with the PUC.
- All advertising for household goods movers must include the mover's name, address and PUC registration number.
- Find a reputable moving company. Ask your neighbors, friends, co-workers or relatives for recommendations about which mover to use. Call the Better Business Bureau to see if they have information about the company.
- Plan your move ahead of time, 2-6 weeks if possible.
- Obtain written estimates from several movers and compare costs and all other services to be provided by the mover. Be suspicious of estimates that are significantly lower than the rest. Ask the mover to explain all service costs to you so that you understand them.
- Beware of estimates made over the phone. Most movers will need to see your goods in order to make an accurate estimate of moving costs.
- Know which company is actually providing the move. Some companies that advertise moving services are simply brokers that do not move goods. Obtain information about how to contact the mover before, during and after the move.
- Find out what the mover's responsibilities are for damages that may occur to your belongings. If your goods are to be stored with the mover, be aware that goods stored in a moving trailer instead of a warehouse could be subject to weather-related damage.
- Do not sign blank or incomplete documents or allow anyone representing you to do so. Make sure you get everything in writing, including signed estimates. Customers should also make sure that all service costs are included in the written estimate and explained to them.

The Household Goods Movers Law applies only to intrastate moves – those that move items point-to-point within Colorado.

To learn more about a Colorado intrastate household goods mover or to verify that the household goods moving company has an active permit and the appropriate insurance, please [click here](#) to visit the Public Utilities Commission web site.

In addition, consumers may also contact the PUC Consumer Affairs office at 303-894-2070 (Denver metro area) or 1-800-456-0858 (outside the Denver metro area) or file a complaint [here](#) with the PUC.

Consumers interested in learning more about Interstate household movers operating across state lines should contact the U.S. Department of Transportation – Federal Motor Carrier Administration.



To learn more about a Colorado intrastate household goods mover or to verify the household goods moving company has an active permit and appropriate insurance, please [click here](#) to visit the PUC web site.



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To learn more about protecting yourself from door-to-door sales fraud, please [click here to view the Colorado Attorney General Consumer Resource Guide](#).

For additional resources, please view the Federal Trade Commission's Consumer Alert "[Selling a Timeshare through a Reseller](#)."



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Home Remodeling, Roofing, Maintenance, and Repair Scams

As the spring-time flowers bloom, so do the seasonal scammers in an attempt to defraud homeowners. A typical scenario involves an uninvited door-to-door solicitation from a contractor claiming to have a "special price" on roofing, siding, windows, asphalt, etc.

Of course, the price is only good "right now" and the contractor will need all or most of the price paid "up front." Some of these phony contractors work alone and others travel together in roaming groups or clans (thus, the name "Travelers"). Once they get your money, they usually disappear having com-

pleted little or none of the promised work. The work that is done is typically poor quality.

In some cases, consumers are asked to sign a document to allow inspection of their home, only to discover they signed an exclusive contract to complete the work on the home with a large penalty for cancellation.

There are some easy things you can do to protect yourself from this type of home repair fraud:

- Do your homework before signing any documents—talk with your neighbors and friends, and most im-

portantly, check out the business with an agency such as the [Better Business Bureau](#).

- Do not sign a contract from a door-to-door salesman unless you thoroughly review the contract and the federally mandated 3-day, right-to-rescind is prevalent.
- Insist on making partial payments under the contract as specific work is completed to your satisfaction.
- Require your contractor to obtain mechanic's lien waivers from all subcontractors.

Timeshare-Purchases and Resales

Due to the increased popularity of timeshare ownership over the last few decades, more and more consumers are falling victim to the various scams targeting timeshare owners, defrauding consumers of millions nationwide.

The typical timeshare scam begins with the timeshare owner receiving an unsolicited offer via mail, email, or by telephone from a supposed "timeshare reseller." This supposed "reseller" informs the timeshare owner that a "buyer" is interested in their timeshare. Typically, the supposed "buyer" is in a hurry and needs to get the purchase transaction completed quickly. As a result, the "buyer" is willing to pay an extremely competitive and often over-inflated price.

Interested timeshare owners who engage the scammers will often receive what appears to be legitimate documentation for the sale, including: official looking contracts, buyer names, address, etc. The scammers

even create official looking web sites, company letter head, P.O. drop boxes, and even provide non-existent or false mailing addresses, in an effort to conceal their actual identity and location. Many of the addresses appear to be legitimate, even after a quick internet search. Later, many of these addresses are found to be empty parking lots or office suites.

To further the scam, high pressure sales tactics and a myriad of other smooth talking points are used by the scammer in an attempt to get the timeshare owner to send up-front fees via wire transfer or through other money transmittal services to initiate the transaction. The scammer usually says the up-front money is required to cover certain costs of the sale, such as: foreign taxes, commissions, and many other so-called "sellers" fees to initiate the sale.

Once the money is sent, the timeshare owner will typically be contacted a second time for additional last minute

costs. Of course, these costs are fabricated and simply an effort to extort additional money out of the timeshare owner. In almost every case, the timeshare owner is out the money and is left to deal with the property.

When dealing with a timeshare reseller, use caution and:

- Always be wary of any unsolicited offers;
- Do your homework—Review the company's business report and complaint history from the Better Business Bureau at www.bbb.org;
- Contact your resort directly to verify if the reseller is a known business entity;
- And conduct your own investigation and know who you really are conducting business with.

Remember, keep a level head and be cautious of any offer that sounds too good to be true.



Consumer Resources

Colorado Attorney General

1525 Sherman Street
Denver, CO 80203
www.coloradoattorneygeneral.gov

Consumer Protection Line:

Toll Free: 800-222-4444
Metro Denver: 303-222-4444
www.coloradoattorneygeneral.gov/cp

Collection Agency Issues

Colorado Collection Agency Board
303-866-5304
www.coloradoattorneygeneral.gov/cp

Fraudulent or Unwanted Calls

Colorado No-Call
Local: 303-776-2675
Toll Free: 800-306-7041
www.coloradonocall.com

Uniform Consumer Credit Code

303-866-4494
www.coloradoattorneygeneral.gov/cp

AARP ElderWatch

Toll Free: 800-222-4444
Metro Denver: 303-222-4444
www.aarpelderwatch.org

Better Business Bureau

www.bbb.org
Denver/Boulder
303-758-2100
Northern Colorado
970-484-1348
Southern Colorado
719-636-1155
Western Colorado
505-346-0110

Citizens Advocate Office

127 State Capitol
Denver, CO 80203
Toll Free: 800-283-7215
Main Office: 303-866-2885
www.colorado.gov

Colorado Foreclosure Helpline

1-877-601-HOPE (4673)
www.coloradoforeclosurehotline.org

Federal Trade Commission (FTC)

Do-Not-Call Registry
www.donotcall.gov

Federal Trade Commission (FTC)

Toll Free: 877-382-4357
<http://www.ftc.gov/>

Identity Theft

Colorado Bureau of Investigations (CBI):
Identity Theft Hotline: 855-443-3489
www.cbi.state.co.us

Internet Crimes Center

www.IC3.gov

Legal Resources

Colorado Bar Association
Toll Free: 800-332-6736 (in Colorado)
Local: 303-860-1115
www.cobar.org

Public Utilities Commission (PUC)

Consumer Affairs Office
303-894-0858 (Denver Metro Area)
8-1-800-456-0858 (outside Denver area)
<http://www.dora.state.co.us/puc/index.htm>

Can't find what you're looking for? Please view the Colorado Attorney General Consumer Resource Guide for additional tools and resources at:

www.coloradoattorneygeneral.gov

ElderWatch

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*Not on the registration list? Visit us on the Web to
ensure receipt of future correspondence at:
www.coloradoattorneygeneral.gov/fraudawareness*

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